

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**CORRECTED  
FISCAL MEMORANDUM**

**HB 1175 - SB 1469**

February 6, 2020

**SUMMARY OF ORIGINAL BILL:** Authorizes the Division of TennCare (Division) to electronically submit a report on the use of technical assistance groups of healthcare providers in developing episodes of care to the Health Committee of the House of Representatives and the Health and Welfare Committee of the Senate.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (012963):** Deletes all language after the enacting clause. Requires the Division of TennCare (Division) to reimburse ambulance service providers for covered services provided to TennCare recipients at a rate not less than the federal Medicare program's allowable charge for participating providers.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

On February 6, 2020, a fiscal memorandum was issued for this legislation with the following estimated impact:

*Increase State Expenditures – \$15,533,700/FY20-21 and Subsequent Years*

*Increase Federal Expenditures – \$29,990,300/FY20-21 and Subsequent Years*

Based on additional information provided by the Division, the fiscal impact was determined to be in error. As a result, the fiscal impact for the bill as amended has been corrected as follows:

**(CORRECTED)**

**Increase State Expenditures – \$6,938,600/FY20-21 and Subsequent Years**

**Increase Federal Expenditures – \$13,396,100/FY20-21 and Subsequent Years**

Corrected assumptions for the bill as amended:

- The proposed legislation defines “ambulance service provider” as a public or private ground-based ambulatory service that bills for transports and has a base of operations in this state.
- Based on information provided by the Division, the impact of paying all providers at the Medicare rate is estimated to be \$45,523,940. The value of all pool payments from the ambulance assessment is estimated to be \$25,189,271. The recurring net increase in expenditures is estimated to be \$20,334,669 (\$45,523,940 - \$25,189,271). Medicaid expenditures receive matching funds at a rate of 65.878 percent federal funds to 34.122 percent state funds.
- The total recurring increase in state expenditures is estimated to be \$6,938,596 (\$20,334,669 x 34.122%) in FY20-21 and subsequent years.
- The total recurring increase in federal expenditures is estimated to be \$13,396,073 (\$20,334,669 x 65.878%) in FY20-21 and subsequent years.

## **IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:**

On February 6, 2020, a fiscal note was issued estimating an impact to commerce as follows:

*Increase Business Revenue - \$45,523,900/FY20-21 and Subsequent Years*

*Jobs Impact – Not Significant*

Based on additional information from the Division, the estimated impact to commerce has been corrected as follows:

**(CORRECTED)**

**Increase Business Revenue – \$20,334,700/FY20-21 and Subsequent Years**

**Jobs Impact – Not Significant**

Corrected assumptions for the bill as amended:

- Ambulance service providers will experience a recurring increase in business revenue of \$20,334,669 in FY20-21 and subsequent years.
- The proposed legislation will not result in a significant increase in services; therefore, any jobs impact or impact on business expenditures is estimated to be not significant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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